

AR38

DICKENSON MINES

L I M I T E D

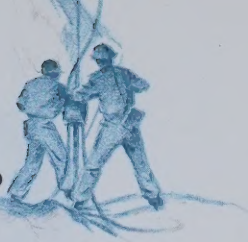
MAY 13 1968



1962

Annual Report to the Shareholders

DICKENSON MINES LIMITED



Directors	ARTHUR W. WHITE	-	-	-	-	-	Toronto, Ont.
	CHARLES R. DIEBOLD	-	-	-	-	-	Buffalo, N.Y.
	F. A. FELL	-	-	-	-	-	Balmertown, Ont.
	M. L. URQUHART	-	-	-	-	-	Toronto, Ont.
	ROY A. JODREY	-	-	-	-	-	Hantsport, N.S.
	S. C. SMITH	-	-	-	-	-	Toronto, Ont.
	R. F. ROCK	-	-	-	-	-	Wilmington, Delaware

Officers	ARTHUR W. WHITE	-	-	-	-	-	President
	CHARLES R. DIEBOLD	-	-	-	-	-	Vice-President
	H. RODNEY HEARD	-	-	-	-	-	Secretary-Treasurer
	LAWRENCE W. MCILMURRAY	-	-	-	-	-	Assistant Secretary
	L. V. BARBISAN	-	-	-	-	-	Assistant Treasurer

Executive Office	25 ADELAIDE ST. WEST, SUITE 416	-	-	-	-	Toronto, Ont.
-------------------------	---------------------------------	---	---	---	---	---------------

Mine Office	FREDERICK A. FELL	-	-	-	-	General Manager
	BALMERTOWN, ONTARIO					

Auditors	MCDONALD, NICHOLSON & Co.	-	-	-	-	Toronto, Ont.
-----------------	---------------------------	---	---	---	---	---------------

Bankers	CANADIAN IMPERIAL BANK OF COMMERCE,					Toronto, Ont.
	THE BANK OF NOVA SCOTIA					Toronto and Balmertown, Ont.

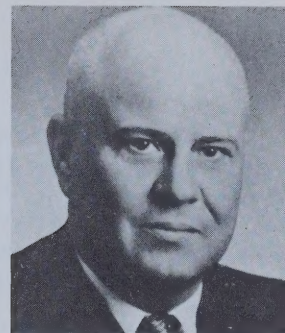
Registrar and Transfer Agents	THE STERLING TRUSTS CORPORATION	-	-	-	-	Toronto, Ont.
	BANK OF NEW YORK	-	-	-	-	New York City
	THE FIRST NATIONAL BANK OF JERSEY CITY,					New Jersey

Annual Meeting	10:30 A.M., June 7, 1963					
	Elizabeth Room					
	King Edward Sheraton Hotel					
	Toronto, Ont.					

SUMMARY OF OPERATIONS

Dickenson Mine Property	1962	1961	1960	To Date
TONS ORE MILLED	175,767	171,935	171,840	1,858,378
Daily average	482	471	470	364
Grade ounces per ton (Millheads)	0.559	0.561	0.584	0.545
PRODUCTION:				
Value less marketing charges	\$3,387,667	\$3,123,029	\$3,134,085	\$31,210,267
Ounces gold	90,522	88,358	91,540	902,052
Per ton milled	\$19.27	\$18.16	\$18.24	\$16.79
Value received per ounce	\$37.55	\$35.47	\$34.46	\$34.82
EMERGENCY GOLD MINING ASSISTANCE	—	—	—	\$ 1,636,900
Per ton milled to which aid applies (1949-1956 841,172 tons)	—	—	—	\$ 1.946
TOTAL REVENUE FROM ALL SOURCES	\$3,484,959	\$3,175,854	\$3,176,388	\$33,123,348
Per ton milled	\$19.83	\$18.47	\$18.48	\$17.82
CASH FLOW—Profit before depreciation and write-offs	\$1,340,595	\$ 939,951	\$1,109,641	\$12,333,026
Per ton milled	\$7.63	\$5.47	\$6.46	\$6.64
Per share	\$0.38	\$0.27	\$0.32	\$3.51
NET PROFIT	\$1,134,877	\$ 703,447	\$ 522,719	\$ 6,550,446
Per ton milled	\$6.46	\$4.09	\$3.04	\$3.52
Per share	\$0.32	\$0.20	\$0.15	\$1.87
DIVIDENDS—paid years 1953 to 1962 inclusive	\$ 631,861	\$ 631,569	\$ 536,958	\$ 3,863,273
Per share	\$0.18	\$0.18	\$0.17	\$1.28
ORE RESERVES—tons at end of period	576,717	467,550	497,489	—
Grade—ounces per ton	0.515	0.543	0.55	—
NO. OF EMPLOYEES	290	265	263	—
SHAREHOLDERS	4,240	4,203	3,659	—

PRESIDENT'S REPORT TO SHAREHOLDERS



ARTHUR W. WHITE

On behalf of the Board of Directors, I am pleased to submit herewith the Annual Report on the operations of your Company for the year ended December 31, 1962, including the financial statements and the auditors' report; the report of the General Manager covering mining operations, also other information of interest.

A RECORD YEAR

Results for 1962 were very gratifying in all respects . . . Profits climbed sharply to a new all-time high . . . The mine continued to respond favorably to underground exploration and development work . . . Positive ore reserves were at an all-time high.

Certain of the Company's outside interests showed notable gains — in particular — ViolaMac's Kam-Kotia operation which added considerably to ore and profit potential.

EARNINGS AND DIVIDENDS

Net profit for the year was \$1,134,877, equal to 32¢ per share, compared with \$703,447, equal to 20¢ per share in 1961. Higher gold prices and lower exploration and development expense accounted for most of the record increase in earnings.

Dividends of 18¢ per share amounting to \$631,861 were paid in 1962. This marks the tenth year of dividend payments since their inception in 1953, and a total of \$3,863,273 has been distributed to shareholders.

MINING OPERATIONS

Production in 1962 was 90,521 ounces of gold and 7,968 ounces of silver from 175,767 tons of ore milled for a total record value of \$3,408,285. Corresponding figures for 1961 were 88,358 ounces of gold and 8,899 ounces of silver from 171,935 tons, valued at \$3,142,308.

Your Company continued to sell its gold bullion through the marketing facilities of The Bank of Nova Scotia.

The average price received for gold increased to \$37.55 per ounce, up from \$35.47 in 1961 and \$34.46 in 1960. The higher price in 1962 reflects the discount on the Canadian dollar. Since last May the rate has been fixed at 92½¢ U.S.

Exploration and development expense charged to the year's operations shows a drop of \$190,000 from the 1961 figure which included the cost of the shaft-deepening program.

Development expenditures of \$268,818 made during 1962 on the former Detta claims (which adjoin to the South of and are owned by Dickenson) were deferred.

On the North East section of the Detta property the rich and favorable East South "C" zone and the "H" zone are under development from the 15th to the 19th levels.

EXPLORATION AND DEVELOPMENT

Reference to the General Manager's report and the map will provide informative detail of underground and other developments that have taken place in the mine throughout the period under review. This has been a year of important and interesting growth and, in this respect, we recommend your careful review of the above-mentioned report.

Your Company's policy of keen and active outside exploration continues. The Exploration Department, working out of the mine office, examined over twenty-five properties during the year.

ORE RESERVES AND MINE PLANNING

Positive ore reserves at December 31, 1962 are conservatively estimated at 576,717 tons, grading .515 ounces gold per ton. This is an increase over the 467,550 tons, grading .543, reported in 1961.

Based on a detailed geological and engineering study, a long cross-cut on the 23rd level has been directed toward the central Northern area of the former Detta property. The purpose is to reach a point in this general area, where, in the foreseeable future an internal shaft, or winze, may be sunk in order to proceed with eventual depth development. It is interesting to note that this cross-cut recently intersected three veins which appear to be of a grade warranting further development — which should begin within the coming months.

The mine is in a very healthy state and gives every indication of continuing as a profitable producer for years to come.

VIOLAMAC MINES LIMITED

Your Company owns 49.9% of the issued shares of ViolaMac Mines Limited. Assets of ViolaMac include a 96¼ % interest in its subsidiary, Kam-Kotia Porcupine Mines, Limited, a profitable copper producer. ViolaMac investments include 465,009 shares of Dickenson Mines Limited. Consolidated Net Income for the year 1962 was \$803,269, or nearly 22¢ per share. (A copy of the ViolaMac 1962 Annual Report is being mailed to all Dickenson Mines Limited shareholders.)

KAM-KOTIA PORCUPINE MINES, LIMITED

Through its investment in ViolaMac your Company has a 48% interest in Kam-Kotia. The property was brought into profitable production as an open pit copper operation in June, 1961. Dickenson Mines participated in financing Kam-Kotia through the purchase of \$810,000 Income Debentures issued by Kam-Kotia. These have been retired in full since December 31, 1962.

An expansion program is under way at Kam-Kotia which involves shaft sinking, underground development of the "B" and "C" zones, increase in mill capacity from 1,000 to 1,500 tons per day, and the installation of a circuit for zinc recovery. Funds necessary to finance this major undertaking are being provided by way of bank loans through the Canadian Imperial Bank of Commerce supplemented by cash flow generated by continuous mining operations.

Kam-Kotia is rapidly developing into one of Ontario's important copper producers.

TAURCANIS MINES LIMITED

Your Company owns 20% of the issued common shares of Taurcanis Mines Limited.

With plans completed for bringing the Company's Matthews Lake property into production by March, 1964, the necessary additional financing has involved reorganization of the capital structure and a change in the name to Tundra Gold Mines Limited.

Additional equipment and supplies have been moved into the property over the winter road and construction is proceeding. Despite difficult climatic conditions, calculations by the Taurcanis management and its Consulting Engineers indicate this mine will be a profitable producer.

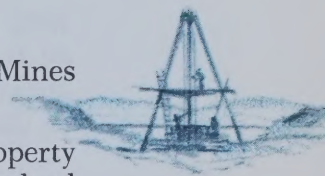
ROBIN RED LAKE MINES LIMITED

This property, which adjoins part of the Dickenson property on the east, has been entered from the 17th and 19th levels of Dickenson under agreement with Robin Red Lake Mines Limited, Dome Mines Limited and Noranda Mines Limited.

The rich ore on the Dickenson 19th level and the mine grade ore on the Dickenson 17th level extend into the Robin property. As and when drifting on the 16th and 18th levels reaches the common boundary, they too will be extended into the Robin ground.

CRAIBBE-FLETCHER GOLD MINES LIMITED

Dickenson's ownership of over 25% of the issued shares of this Company remained unchanged in 1962. No further work has been done on this gold prospect since our last report. However, your management keeps well-informed on development results on adjacent properties, and in the Red Lake area generally. Information



so obtained will have a direct influence on any plans for further exploration of this well-located property.

OTHER INVESTMENTS AND INTERESTS

Your Company continues to follow a policy of acquiring wide holdings of diverse interests in other mining companies.

A considerable share interest is held in the following Red Lake properties, namely, Abino Gold Mines Limited, DeCoursey-Brewis Minerals Limited, Redcon Gold Mines Limited, and Laddie Gold Mines Limited, which may be located by reference to the map. In the Red Lake area — other substantial share interests include Parvus Mines Limited and Duchesne Red Lake Mines Limited — and in the Kam-Kotia area, Jameland Mines Limited and other claims.

OUTLOOK

The fast-growing Red Lake mining area produced \$17½ million in gold in 1962 — over 11% of Canada's total — and shows bright promise of further major developments. Your Company and others have, through aggressive exploration, already outlined potential orebodies that will, in my opinion, be successful producers in the not too distant future.

The devaluation of the Canadian dollar in mid-year meant substantially higher prices for gold — and provided some new incentive for the industry. The trend of world monetary affairs indicates the time is approaching when a decision will have to be made in regard to an increase in the official price.

The outlook for Dickenson is excellent. First quarter results for both Dickenson and Kam-Kotia are considerably ahead of a year ago.

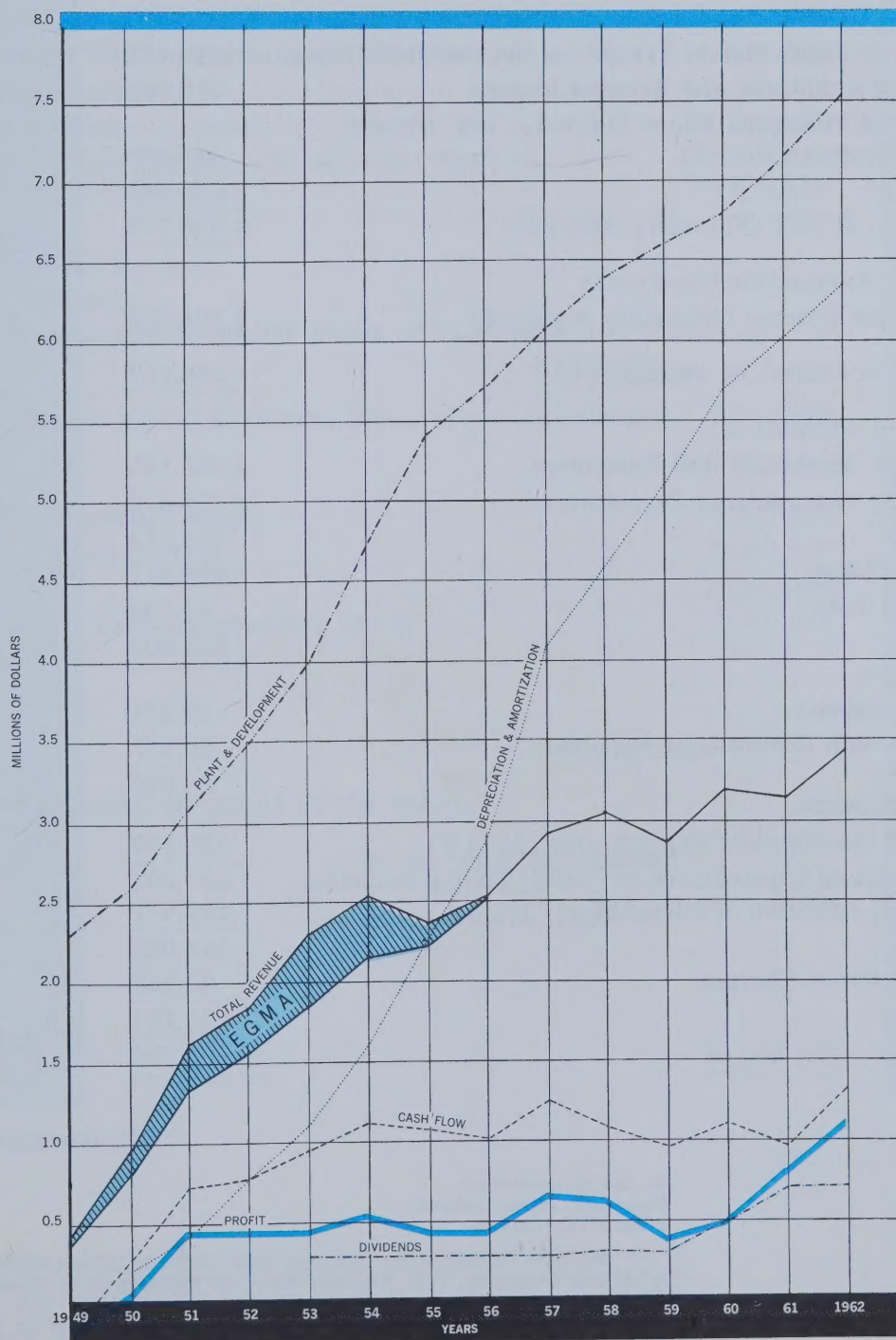
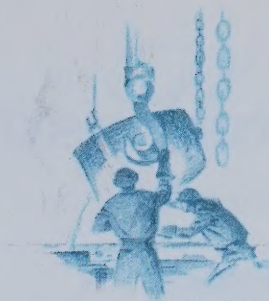
SINCERE APPRECIATION

The highly satisfactory results of the past year are the product of a conscientious hard-working team. With this in mind it is indeed a great pleasure for me personally, and on behalf of the Directors, to express sincere thanks and appreciation to our shareholders, and to the General Manager, all department heads, and employees. Their loyal and coordinated efforts are reflected in another year of outstanding achievement.

ARTHUR W. WHITE,
President.

April 23, 1963.

RECORD OF OPERATIONS



DICKENSON MINES LIMITED

(Incorporated under the Laws of the Province of Ontario)

(With comparative balances at 31st December, 1961)

ASSETS

	1962	1961
CURRENT ASSETS:		
Cash on Hand and in Banks	\$ 76,185	\$ 271,828
Bullion on Hand and in Transit, at net realizable value	185,577	156,989
Accounts Receivable and Accrued Interest	216,843	209,975
Kam-Kotia Porcupine Mines Limited — 6% Income Debenture (Note 1)	780,000	—
	<u>1,258,605</u>	<u>638,792</u>
INVESTMENTS, at cost (Summary Attached)	<u>1,500,778</u>	<u>1,251,720</u>
INTEREST IN AFFILIATED COMPANIES, at cost less Reserve (Summary Attached)	<u>3,708,572</u>	<u>4,090,140</u>
STORES AND SUPPLIES, at average cost:	<u>398,157</u>	<u>374,658</u>
FIXED ASSETS, at cost:		
Buildings, Machinery and Equipment	4,256,186	4,058,640
Less: Accumulated Depreciation	<u>3,732,676</u>	<u>3,514,375</u>
	523,510	544,265
Mining Claims	264,227	264,227
Townsite Lots	81,163	80,008
	<u>868,900</u>	<u>888,500</u>
OTHER ASSETS:		
Prepaid Expenses	17,553	7,748
Deposits with Government Agencies	<u>20,477</u>	<u>20,477</u>
	38,030	28,225
DEFERRED CHARGES:		
Deferred Development Expenditures (Note 2)	720,879	452,061
Interest in and Expenditures on Outside Mining Properties	437,003	295,758
Less: Amounts Written Off	<u>242,977</u>	<u>221,638</u>
	194,026	74,120
Other Deferred Charges	20,848	44,659
	<u>935,753</u>	<u>570,840</u>
	<u>\$8,708,795</u>	<u>\$7,842,875</u>

(The accompanying Notes form a

To the Shareholders,
Dickenson Mines Limited,
TORONTO, Canada.

AUDITORS

We have examined the attached Balance Sheet of DICKENSON MINES LIMITED as at 31st December, 1962, together with the Statements of Operations, Earned Surplus and Contributed Surplus for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

TORONTO, 5th March, 1963.

Balance Sheet

31st December, 1962

LIABILITIES

	1962	1961
CURRENT LIABILITIES:		
Bank Loan — Secured (Note 1)	\$ 665,000	\$ 350,000
Accounts Payable and Accrued Liabilities	266,545	226,651
Wages Accrued	31,381	27,771
Mining Taxes Accrued	34,000	30,000
Income Taxes Payable and Accrued (Note 3)	8,021	—
Total Liabilities	<u>1,004,947</u>	<u>634,422</u>
SHAREHOLDERS' EQUITY:		
Capital Stock		
Authorized 3,750,000 shares of \$1.00 each		
	<u>\$3,750,000</u>	
Issued 3,510,340 shares (1961 — 3,510,140 shares)	<u>3,510,340</u>	<u>3,510,140</u>
Surplus		
Contributed Surplus	1,331,809	1,331,609
Earned Surplus	2,861,699	2,366,704
	<u>4,193,508</u>	<u>3,698,313</u>
Total Shareholders' Equity	<u>7,703,848</u>	<u>7,208,453</u>

Approved on behalf of the Board:

A. W. WHITE, Director.

S. C. SMITH, Director.

\$8,708,795

\$7,842,875

integral part of this Statement)

REPORT

In our opinion the accompanying Balance Sheet and related Statements of Operations, Earned Surplus and Contributed Surplus present fairly the financial position of the Company as at 31st December, 1962, and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

McDONALD, NICHOLSON & CO.,
Chartered Accountants.

DICKENSON MINES LIMITED

Summary of Investments and Interests in Affiliated Companies

31st December, 1962

(with comparative balances at 31st December, 1961)

	BOOK VALUE	
	1962	1961
INVESTMENTS		
Listed Shares, at cost (Quoted Market Value \$454,447) (\$542,263 in 1961)	\$ 445,620	\$ 439,050
Other Shares and Securities, at cost	1,055,158	812,670
	<u>\$1,500,778</u>	<u>\$1,251,720</u>
INTEREST IN AFFILIATED COMPANIES		
Shares and Securities, at cost less Reserve Listed Shares		
ViolaMac Mines Limited, 1,829,099 shares (1,602,099 shares in 1961) (Quoted Market Value \$2,524,157) (\$1,201,574 in 1961)	\$2,352,434	\$1,977,254
Other Listed Shares (Quoted Market Value \$143,258) (\$233,306 in 1961)	202,464	202,464
Other Shares and Securities	910,895	1,697,394
	<u>3,465,793</u>	<u>3,877,112</u>
Advances, less Reserve	242,779	213,028
	<u>\$3,708,572</u>	<u>\$4,090,140</u>

DICKENSON MINES LIMITED

Statement of Contributed Surplus

For the year ended 31st December, 1962

(With a comparative statement for the year ended 31st December, 1961)

	1962	1961
BALANCE at beginning of year	\$1,331,609	\$1,326,609
<i>Add:</i>		
Premium on shares issued during the year	200	5,000
BALANCE at end of year	<u>\$1,331,809</u>	<u>\$1,331,609</u>

Statement of Earned Surplus

For the year ended 31st December, 1962

(With a comparative statement for the year ended 31st December, 1961)

	1962	1961
BALANCE at beginning of year	\$2,366,704	\$2,794,826
<i>Add:</i>		
Net Profit for the year	<u>1,134,877</u>	<u>703,447</u>
	<u>3,501,581</u>	<u>3,498,273</u>
<i>Deduct:</i>		
Dividends declared and paid	631,861	631,569
Provision for possible decline in value of Interest in Affiliated Companies	—	500,000
Provision for Prior Years' Income Taxes —		
New Dickenson Mines Limited to date of Amal- gamation, 10th October, 1960 (Note 3)	<u>8,021</u>	<u>—</u>
	<u>639,882</u>	<u>1,131,569</u>
BALANCE at end of year	<u>\$2,861,699</u>	<u>\$2,366,704</u>

(The accompanying Notes form an integral part of this Statement)

DICKENSON MINES LIMITED

Statement of Operations

For the year ended 31st December, 1962

(With a comparative statement for the year ended 31st December, 1961)

	1962	1961
Bullion Production	\$3,408,285	\$3,142,308
Less: Marketing Expense	20,618	19,279
	<u>3,387,667</u>	<u>3,123,029</u>
<i>Deduct:</i>		
Exploration and Development	448,014	638,300
Mining	761,328	667,790
Milling	454,846	457,475
Mine General	335,337	322,238
Head Office Administration and General (Note 4)	111,770	120,463
Provision for Tax under the Mining Tax Act, Ontario	33,069	29,637
	<u>2,144,364</u>	<u>2,235,903</u>
Profit from Operations before Provision for Depreciation	1,243,303	887,126
<i>Deduct:</i>		
Provision for Depreciation of Buildings, Machinery and Equipment	182,728	223,581
	<u>1,060,575</u>	<u>663,545</u>
<i>Add:</i>		
Income from Investments	97,496	44,041
Profit on Sale of Fixed Assets (Loss)	(204)	959
Profit on Sale of Investments	—	7,825
	<u>97,292</u>	<u>52,825</u>
Profit before Amortization of Deferred Development Expenditures and Write-off of Outside Exploration	1,157,867	716,370
<i>Deduct:</i>		
Outside Exploration Written-off	22,990	12,923
NET PROFIT for the year	<u>\$1,134,877</u>	<u>\$ 703,447</u>

(The accompanying Notes form an integral part of this Statement)

D I C K E N S O N M I N E S L I M I T E D

Notes to Financial Statements

31st December, 1962

1. INCOME DEBENTURE, Kam-Kotia Porcupine Mines, Limited

The Company, under date of 18th January, 1963, received payment in full of the Income Debenture together with accrued interest to that date; these funds were applied to retire the Company's bank indebtedness.

2. DEFERRED DEVELOPMENT EXPENDITURES

Development Costs on the former Detta claims, including expenditures during the current year of \$268,818 are included in the Balance Sheet at an amount of \$720,879 and are carried forward as deferred charges.

3. INCOME TAXES

Estimated Income Taxes payable in respect to New Dickenson Mines Limited operations to 10th October, 1960 amounting to \$8,021 have been provided for in the Balance Sheet.

Amounts claimed for Income Tax purposes in 1962 in respect of depreciation, development expenditures and other charges exceed the amounts recorded in the Company's accounts by approximately \$1,443,319; accordingly, no provision has been made for taxes on income for the current year. Net Profit may be affected at some future time should the amounts claimed for Tax purposes become less than the amounts then recorded in the accounts.

4. DIRECTORS' REMUNERATION

The total remuneration of Directors, as such, for the years 1962 and 1961 was \$7,000 and \$6,583 respectively.

DICKENSON MINES LIMITED

STATEMENT OF SOURCE AND DISPOSITION OF FUNDS

for the year ended 31st December, 1962

SOURCES OF FUNDS

Operations

Net Profit for the year	\$1,134,877	
Add: Charges to operations which in themselves did not require an outlay of funds during the year		
Outside Exploration Written-off ...	\$ 22,990	
Provision for Depreciation	182,727	205,717
		<hr/>
Sale of Capital Stock		400
Decrease in Prepaid Expenses		14,006
Security Sales (Net)		183,622
		<hr/>
		\$1,538,622

DISPOSITION OF FUNDS

Dividends Paid	\$ 631,861	
Fixed Asset Additions (Net)	165,402	
Advances to Affiliates	29,751	
Deferred Development	268,818	
Outside Exploration	161,982	
Provision for Prior Years' Income Taxes	8,021	
Increase in Stores and Supplies	23,499	1,289,334
		<hr/>

INCREASE IN WORKING CAPITAL	\$ 249,288
Working Capital at beginning	4,370
	<hr/>
WORKING CAPITAL AT END — being current assets less current liabilities	<u>\$ 253,658</u>

DICKENSON MINES LIMITED



AERIAL VIEW OF THE DICKENSON MINE

GENERAL MANAGER'S REPORT

The President and Directors,
Dickenson Mines Limited,
416 - 25 Adelaide St. West,
TORONTO, Ontario.



Dear Sirs:

This report covering the operations of your Company for the year 1962 is respectfully submitted for your consideration.

PRODUCTION

175,605 tons of ore and 62,460 tons of waste rock were hoisted. The waste was distributed as yard fill. The ore was sent directly to the mill bins.

The 175,767 tons of ore milled yielded 90,521.542 fine ounces of gold and 7,967.98 fine ounces of silver. The total value of this bullion was \$3,408,285.31 or a recovery of \$19.39 per ton milled.

Your Company continued to sell gold to the Bank of Nova Scotia. The average value received from the Bank was \$37.549 per ounce for gold, and \$1.167 per ounce for silver. No benefits were received under the Emergency Gold Mining Assistance Act.

To date the mine has produced 902,199.265 ounces of gold and 78,691.00 ounces of silver with a total value of \$31,486,725.90 for an average value received from the Mint and the Bank of Nova Scotia of \$34.82 per ounce of gold and 90.5¢ per ounce of silver; total tons milled amount to 1,859,858 for a recovery of 0.485 ounces of gold per ton.

ANALYSIS OF OPERATING COSTS

	1962			1961
	Total	Per Ton Milled	Per Ounce	Per Ounce
Shaft Deepening	\$ 36,426	\$.21	\$.40	\$ 2.68
Exploration and Development	411,588	2.34	4.55	4.54
Mining	761,328	4.33	8.41	7.56
Milling	454,846	2.59	5.03	5.18
Mine General Expense	335,337	1.91	3.70	3.65
Head Office Expense	111,770	.64	1.23	1.37
Marketing Charges	20,618	.12	.23	.22
	<u>\$2,131,913</u>	<u>\$ 12.14</u>	<u>\$ 23.55</u>	<u>\$ 25.20</u>

MINING

Broken ore totalling 128,263 tons remained in the stopes, a decrease of 15,464 tons from the previous year. Also 3,237 tons remained in the ore bins and ore passes at year's end.

Of the 175,605 tons of ore hoisted, 26,569 tons grading 0.533 ounces per ton were obtained from development and 149,036 tons grading 0.509 ounces per ton were obtained from stoping and stope preparation.

Stoping operations were carried on in the North "C", South "C", East South "C", "D", and "F" zones on the upper nineteen levels. Of the total ore hoisted, the percentages from the zones were — North "C" 19.1%; South "C" 32.8%; East South "C" 12.2%; "D" 16.0%; "F" 14.9%, miscellaneous ("E" "H" and Robin) 5.0%.

During the year five stopes were operating as cut-and-fill stopes and six others were being prepared as cut-and-fill stopes using classified mill tailings as fill. The balance of the operating stopes used the "shrinkage" stope method of mining. Tons broken per rock drill shift in stopes and backstopes were 39.5 compared to 37.9 in 1961. The average stope width was 6.0 feet compared to 5.6 feet the previous year.

EXPLORATION AND DEVELOPMENT

The following is a summary of the development footages completed to the end of 1962 with the previous two years given as a comparison:

	1962	1961	1960	To Date
Shaft No. 1	—	620	—	3,589
Station Cutting	—	235	21	1,245
Drifting	5,642	5,339	6,668	64,726
Crosscutting	6,326	4,999	2,393	50,184
Raising	2,817	4,284	3,788	33,413
Ore Passes	259	126	—	3,150
Waste Passes	610	320	—	3,285
Slashing	949	922	991	14,310
Diamond Drilling:				
Surface	5,911	—	—	60,306
Underground	66,847	58,682	59,474	582,724

DEVELOPMENTS OF MAJOR INTEREST — Reference can be made to the map at the back of this report to obtain the relative locations of the ore zones mentioned here and the vertical depth of the levels below surface.

(1) Excellent ore continues to be developed in the East South "C" zone. Development of this zone was completed on the seventeenth and nineteenth levels during the year and was about one third completed on the sixteenth and eighteenth levels.

(2) The "H" zone was developed by drifting and diamond drilling on the fifteenth, sixteenth and seventeenth levels during the year and development was started towards this zone on the thirteenth, eighteenth, and nineteenth levels. Development, to date,

indicates that this zone is considerably wider than the other ore zones in the mine but that the gold values of ore grade tend to be less consistent throughout the zone. Further development is necessary to outline the ore grade areas in the zone.

(3) Diamond drill holes, being drilled north of the eastern portion of the East South "C" zone at the sixteenth and seventeenth levels, indicate lenses of "D" zone ore to occur at about 200 to 250 feet north of the East South "C" zone. Development of this area will continue.

(4) No ore was located in the exploratory drive on the fifteenth level or in the diamond drill holes drilled from this drive which is in the vicinity of the previous Detta mine workings which were at the second level horizon. This development work, at the fifteenth level covered an area of about 1,350 feet in an east-west direction and about 2,000 feet in a north-south direction. Interesting but scattered gold values ranging from 0.58 ounces per ton across 0.8 feet to 0.72 ounces per ton across 1.3 feet were intersected by drill holes in a favourable andesitic host rock lying about 500 feet north of the drive. Further exploration work in this area is warranted.

(5) The main crosscut (9x9 feet) at the twenty-third level has advanced to within 690 feet of its objective of 2,800 feet south of the shaft. This crosscut is being driven to explore the twenty-third level and will be the main haulageway between the number one shaft and the proposed internal shaft.

(6) The waste pass system was completed from the number four loading pocket to the twentieth level.

ORE DEVELOPED BY DRIFTING

Zone	Lineal Feet	Ounces/ Ton	Width Feet	Level
East South "C"	859	0.70	8.0	16, 17, 18, 19
"H"	587	0.39	7.9	15, 16, 17
"D"	73	0.54	5.6	8, 15
"F"	189	0.38	7.1	16, 17, 18
Total and average	<u>1,708</u>	<u>0.55</u>	<u>7.8</u>	

REMARKS ON ORE ZONES

North "C" — ore remnants continue to be developed and mined in this zone.

South "C" — the known ore on the first fifteen levels is completely developed with mining continuing from the seventeenth to sixth level.

East South "C" — this zone is located east of the South "C" on the same strike. The top of this zone is at about the thirteenth level and below this horizon excellent ore is being developed. Some mining is being done in the weaker portion of this zone at the extreme west end on the fifteenth and seventeenth levels.

"F" — the known ore in this zone has been developed from the fifteenth to nineteenth level. Mining of this zone is in progress from the nineteenth to seventeenth level.

"D" — there is ore to be mined above the eighth and fifteenth levels. Recent diamond drilling indicates that lenses of ore in this zone occur at the sixteenth and seventeenth levels.

"H" — development continued in this zone from the nineteenth to thirteenth level in order to outline the sections of mineable ore. No mining in this zone during the year.

"B" — no production or development in this zone during the year.

"E" — a low tonnage of mineable ore remains in this zone and further development is warranted.

"G" — the ore in this zone is particularly erratic and is low in grade. No work is being done at present.

ORE RESERVES

At December 31, 1962, positive ore reserves, broken and in place, were calculated to be 576,717 tons having an average grade of 0.515 ounces of gold per ton. This compares with 467,550 tons grading 0.543 ounces per ton at December 31, 1961. The distribution of ore reserves is as follows:

	Tons	Grade
Above 1st Level.....	17,030	0.52
" 2nd Level.....	11,959	0.63
" 3rd Level.....	15,936	0.55
" 4th Level.....	4,505	0.57
" 5th Level.....	11,346	0.38
" 6th Level.....	23,490	0.41
" 7th Level.....	25,102	0.42
" 8th Level.....	32,305	0.45
" 9th Level.....	35,394	0.51
" 10th Level.....	17,303	0.57
" 11th Level.....	3,121	0.86
" 12th Level.....	18,631	0.89
" 13th Level.....	6,847	0.57
" 14th Level.....	29,901	0.53
" 15th Level.....	37,097	0.40
" 16th Level.....	55,080	0.48
" 17th Level.....	103,724	0.46
" 18th Level.....	81,483	0.53
" 19th Level and 40 feet below.....	46,463	0.68
	<u>576,717</u>	<u>0.515</u>

(All high assays cut to 2.00 ounces)

Positive ore reserves by zones:

Zone	Tons	Grade	Percentage
North "C"	109,849	0.509	19.0
South "C"	132,900	0.546	23.0
East South "C"	107,521	0.572	18.7
"F"	91,694	0.598	15.9
"H"	94,211	0.362	16.3
"D"	32,138	0.447	5.6
"E"	8,404	0.433	1.5
	<u>576,717</u>	<u>0.515</u>	<u>100.0</u>

MILLING

Summary of Mill Operations with the previous year given as comparison.

	1962	1961
Tons treated	175,767	171,935
Per cent operating time	99.03	98.44
Tons treated per day	481.6	471.1
Average value mill heads in ounces of gold per ton	0.559	0.561
Assay of mill tails in ounces of gold per ton	0.043	0.047
Recovery in ounces of gold per ton	0.516	0.514
Per cent Recovery	92.3	91.7

EXPLORATION DEPARTMENT

The exploration department, working out of the mine office, was active throughout the year mainly in the Red Lake district. No outstanding results were obtained, however, some of the properties examined showed promise and additional work is recommended for next year. A total of twenty-three gold properties, five copper-nickel properties and one asbestos property were examined and reported on. Forty-two claims were staked and fourteen claims allowed to lapse. At year end, ninety-eight claims were held not including — ten claims transferred to Parvus Mines Limited; six claims under option in the Manitouwadge area (CuNi) and twenty-two claims under option in the White River area (Cu). The ninety-eight claims held consist of eighty-eight claims forming nine separate gold prospect groups in the Red Lake Mining division; and ten claims in the Manitouwadge area (CuNi). 2,529.0 feet of diamond drilling were done:— 200 feet in Balmer township; 1,003 feet on the Parvus property in Baird and Fairlie townships; 316 feet at Richardson Lake on the previous New Jason property; and 1,010 feet on the Dawd option in the White River area. Surveys on three groups in the Red Lake Mining Division were underway at year end in preparation for patent in 1963.

A programme of line cutting and surface prospecting on the Robin, the old Detta, and other properties south-east of the mine workings was started.

CAPITAL EXPENDITURES

Capital expenditures for the year amounted to \$209,698.62 and included the following as the major items:

SURFACE

- 1 — CCH-750 Chromalox electric heating boiler
- Addition 14' x 40' to boiler house
- Addition 12' x 40' to mine dry
- 5 — Fire pumps
- 1 — Radial drilling machine

UNDERGROUND

- 1 — Atlas "Q" 3-ton locomotive
- 1 — Mather & Platt pump, size 1, plurovane
- 15 — Used Hudson, 50 cubic feet, side dump cars
- 4 — Used 12B Eimco rocker shovels
- 1 — Used GD-10H Gardner-Denver carloader
- 3 — Used type B Mancha little trammers
- 3 — Used C.I.R. H5NN-IJ slusher hoists
- 6 — Used C.I.R. A5NN-OH double drum slusher hoists
- 1 — Joy FF211 double drum slusher hoist
- 1 — Battery charger

DEFERRED DEVELOPMENT

A total of \$268,817.70 was spent in 1962 on the former Detta claims for development in the form of drifting, crosscutting, raising and diamond drilling. The total amount spent to December 31, 1962 on this portion of the Dickenson property amounts to \$473,168.56.

GENERAL

Operating costs at the mine are down \$0.76 per ton milled as compared with 1961, mainly due to a reduction of \$1.17 per ton in shaft deepening expenses and a \$0.45 per ton increase in mining costs.

Deeper mining has necessitated a gradual change from shrinkage stoping to the higher cost method of cut-and-fill stoping for the majority of stopes. The change to cut-and-fill will be complete by the end of 1964. The increase in mining costs is expected to be modified by a reduction in dilution and therefor a higher grade of ore. In addition, fresh or recently broken ore supplied to the mill is considered to have some bearing on the improved recovery in 1962, of approximately one per cent. Experiments are in progress to determine to what extent cut-and-fill stoping is responsible for the increase in recovery. Mill recovery was improved from 91.7% in 1961 to 92.3% in 1962.

The operating force at year end, including staff but not including part time students or diamond drillers, was 290.

Mine labour was plentiful but inexperienced. The hourly wage rate was raised 9 cents. Of this, 4 cents was effective April 16, 1962 and 3 cents effective April 16, 1963; and the equivalent of 2 cents was added to fringe benefits. Local 1003 of the International Union of Mine, Mill & Smelter Workers continued as the bargaining agent for employees, a two-year agreement being signed April 14, 1962.

In Balmertown townsite, new construction included: a duplex for High School teachers with the cost shared equally by Campbell and Dickenson mines; four houses by Dickenson employees assisted by the Company; one private house; and an addition to Bennett's Food Market. 929 lineal feet of 8 feet wide concrete sidewalks were laid in the business section.

Improvements of interest made in the Red Lake district which were a direct benefit to Dickenson Mines employees are: a four room addition to the Red Lake District High School; paving of highway No. 125 from the junction of highway No. 105 to the Cochenour dock, highway No. 618 from Red Lake to Starratt Olson, and the paving of highway No. 105 from Red Lake to Vermilion Bay was started; and an addition to the Margaret Cochenour Hospital which was financed with grants from the district mines using its facilities, the Provincial Government, and the Federal Government.

Weight of supplies delivered to the property:

From local sources, (mainly timber, cordwood, oils, and greases)	6,204 tons
From outside sources, (chemicals, steel, cookery supplies, capital equipment)	959 tons
From outside sources, through direct trucking (explosives, mill liners, mill balls, rail)	493 tons
Total	<u>7,656 tons</u>

In conclusion I wish to take this opportunity to thank you for your guidance and support and to express my appreciation to the Department Heads and the employees generally for their co-operation.

Yours very truly,

F. A. FELL,
General Manager.

HOME TWP.

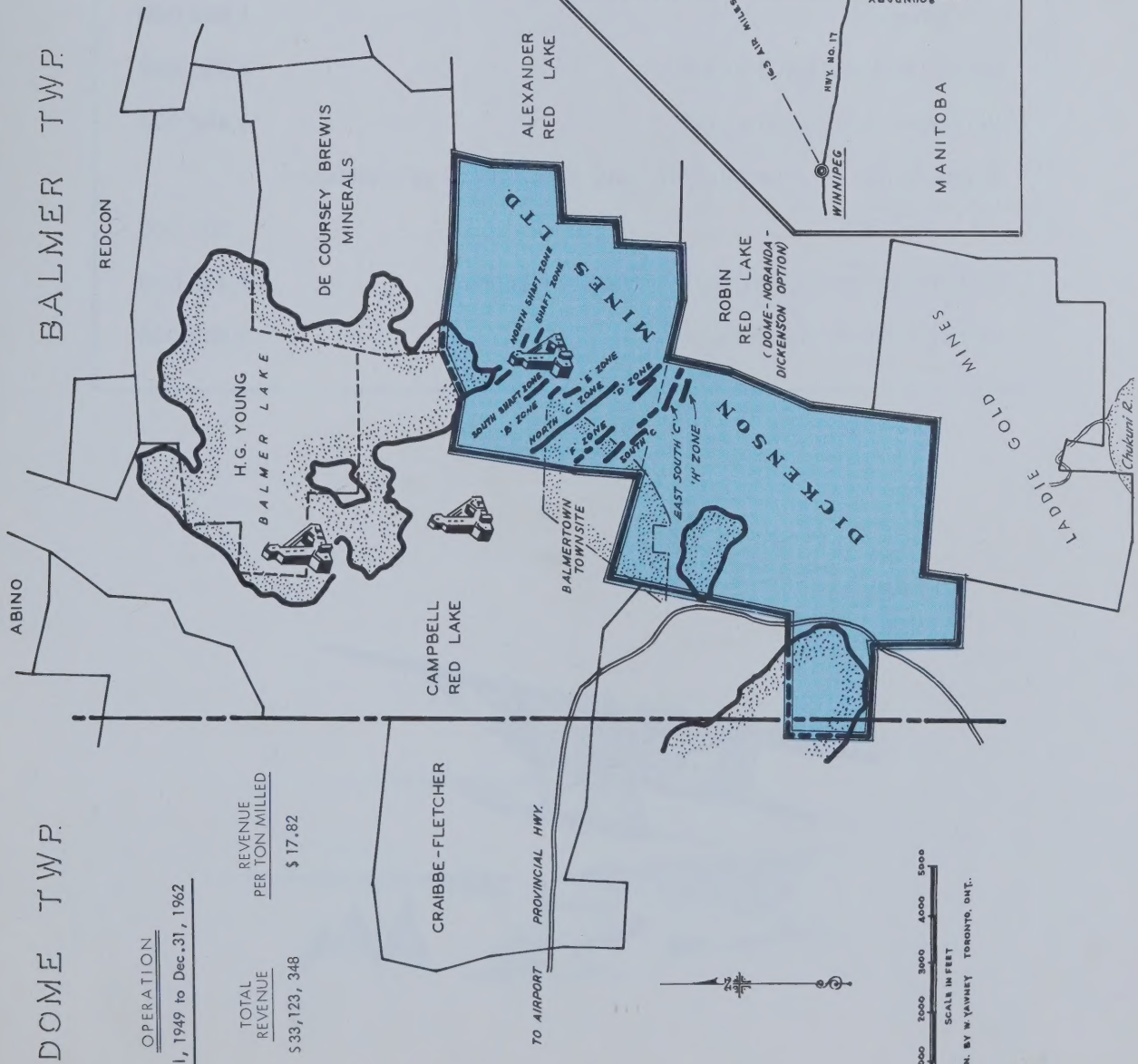
BALMER TWP.

OPERATION

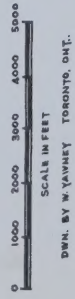
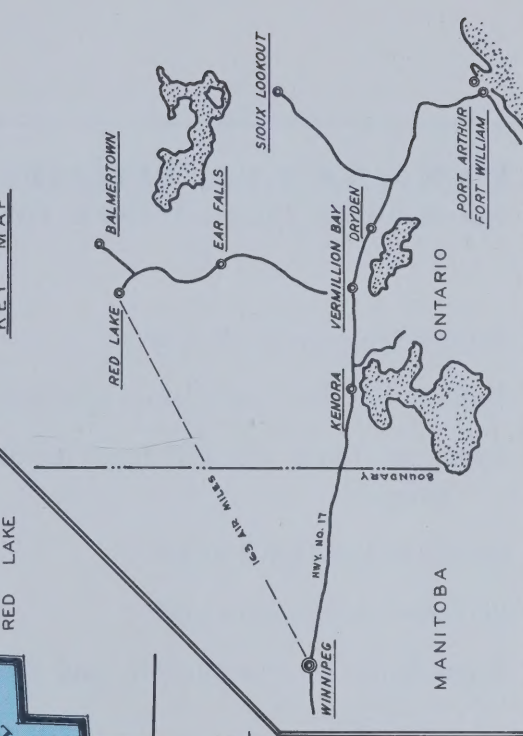
Jan. 1, 1949 to Dec. 31, 1962

TONS MILLED	TOTAL REVENUE	REVENUE PER TON MILLED
1,858,378	\$33,123,348	\$17.82

LEVEL ELEVATIONS	
Collar	0'
1st level	140'
2nd "	265'
3rd "	390'
4th "	515'
5th "	640'
6th "	815'
7th "	940'
8th "	1115'
9th "	1265'
10th "	1415'
11th "	1565'
12th "	1715'
13th "	1865'
14th "	2015'
15th "	2165'
16th "	2315'
17th "	2465'
18th "	2615'
19th "	2765'
20th "	2915'
21st "	3065'
22nd "	3215'
23rd "	3365'
Sump	3589'



KEY MAP



DWN. BY W. YANNEY TORONTO, ONT.

FINANCIAL HIGHLIGHTS

For the period January 1, 1949 to December 31, 1962

Total revenue from all sources	\$33,123,000
Total cost before depreciation and amortization	20,789,000
Additional funds received from the issue of shares and bonds	1,895,000
Re-invested in capital assets	4,869,000
Purchases of securities (net)	4,462,000
Expenditures re examination and acquisition of outside properties	706,000
Redemption of \$1,500,000 par value of bonds	1,438,000
Distribution to shareholders	3,863,000



